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IN THE UNITED STATES PATENT AND TRADEMARK OFFICE  
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD

Proceeding	91200355
Party	Defendant S-N MERGER CORP.
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Date	08/05/2011
Attachments	Applicant Motion to Correct Proceeding Number.pdf ( 30 pages )(1350392 bytes )

**IN THE UNITED STATES PATENT AND TRADEMARK OFFICE BEFORE THE  
TRADEMARK TRIAL AND APPEAL BOARD**

SOUTHERN COMMUNICATIONS )  
SERVICES, INC., )  
 )  
Opposer, )  
 )  
v. )  
 )  
S-N MERGER CORP., )  
 )  
Applicant. )  
\_\_\_\_\_ )

Opp. No.: 91/200,324  
App. No.: 78/575,442  
Pot. Mark: SOUND MARK

MOTOROLA MOBILITY, INC., and )  
MOTOROLA TRADEMARK )  
HOLDINGS, LLC, )  
 )  
Opposers, )  
 )  
v. )  
 )  
S-N MERGER CORP., )  
 )  
Applicant. )  
\_\_\_\_\_ )

Opp. No.: 91/200,355  
App. No.: 78/575,442  
Pot. Mark: SOUND MARK

**APPLICANT'S MOTION TO CORRECT PROCEEDING NUMBER  
ASSOCIATED WITH TIMELY LODGED MOTION TO DISMISS**

Applicant Nextel Communications, Inc.<sup>1</sup> ("Applicant" or "Nextel") hereby moves for acceptance of its timely lodged Applicant's Motion to Dismiss Opposer's Functionality,

<sup>1</sup> Applicant S-N Merger Corp. assigned the application to Nextel Communications, Inc., in an assignment recorded on March 22, 2006.

Preclusion, and Fraud Claims under Rule 12(b)(6) (“Motion to Dismiss”) on the docket for Opposition No. 91/200,355, and removal of the Motion to Dismiss from the docket for Opposition No. 91/200,324. In filing the Motion to Dismiss electronically via ESTTA, undersigned counsel inadvertently submitted it using the proceeding number for the incorrect parallel opposition proceeding involving the same Application.

### **FACTUAL BACKGROUND**

Nextel filed its trademark application 78/575,442 for the sound mark known as the “Nextel Chirp” on February 25, 2005.

The Southern Opposition. On June 21, 2011, Southern Communications Services, Inc. filed a Notice of Opposition to Nextel’s application (Opposition No. 91/200,324). An answer or other responsive pleading was due on July 31, 2011. Opp. No. 91/200,324, D.E. 2. Nextel timely filed a consent Motion for an extension of time to answer, which was granted by the Board. Opp. No. 91/200,324, D.E. 4 and 5.

The Motorola Opposition. On June 22, 2011, Motorola Mobility, Inc. and Motorola Trademark Holdings, LLC (collectively “Motorola”) also filed a Notice of Opposition to Nextel’s application (Opposition No. 91/200,355). An answer or other responsive pleading was due on August 3, 2011. Opp. No. 91/200,355, D.E. 2. On August 3, 2011, in lieu of an answer, Nextel filed the Motion to Dismiss, a copy of which is attached hereto as Exhibit A. The case caption of that Motion to Dismiss clearly identifies the motion as addressed to Motorola’s Notice of Opposition and identifies the proper proceeding number, 91/200,355, and the Motion to Dismiss was properly served on Motorola by first class mail on August 3, 2011. *See* Exhibit A at 1 and 24. However, undersigned counsel, filing the Motion to Dismiss electronically,

inadvertently entered the proceeding number for the Southern Opposition in ESTTA rather than the proceeding number for the Motorola Opposition, and it was associated with the incorrect docket. *See* Opp. No. 91/200,324, D.E. 6.

Upon being apprised of this error today, counsel unsuccessfully attempted to contact the Interlocutory Attorneys and the Paralegals assigned to each of these two proceedings by telephone. This Motion to Correct Proceeding Number Associated With Timely Lodged Motion to Dismiss is being filed as soon as possible after discovery of the filing error.

### **ARGUMENT**

Nextel's Motion to Dismiss was timely filed, and Nextel now seeks simply to correct its clerical error and have the Motion to Dismiss associated with the correct opposition docket. Good cause exists to grant the requested relief.

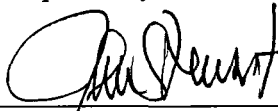
Even when a responsive pleading is actually filed after the answer date has passed, it may be accepted upon a showing that the late filing was not the result of willful conduct or gross neglect, that it resulted in no substantial prejudice to the plaintiff, and that the late-filed pleading demonstrates the existence of a meritorious defense. *Paolo's Associates Ltd. Partnership v. Bodo*, 21 USPQ2d 1899, 1902 (Comm'r Patents 1990) citing *Kulakowich v. A/S Borgestad*, 36 F.R.D. 185, 186 (E.D. Penn. 1964).

Good cause exists to accept Nextel's timely filed Motion to Dismiss into the docket for Opposition No. 91/200,355 and to remove it from the docket for Opposition No. 91/200,324. On the due date for the answer, August 3, 2011, Nextel filed the Motion and timely served counsel for Motorola. Filing the Motion in the incorrect docket was a clerical error and not the result of willful conduct or gross neglect. The Board has held that such inadvertent errors are not "willful

conduct or gross neglect.” *Fred Hayman Beverly Hills Inc. v. Jacques Bernier Inc.*, 21 USPQ2d 1556, 1557 (TTAB 1991). There is no prejudice to Motorola as a result of Nextel’s clerical error, since it was served with a copy of the Motion in a timely fashion and in accordance with TBMP § 113.01. The Board has found a lack of prejudice even in cases involving actual delay. *Paolo’s Associates Ltd. Partnership*, 21 USPQ2d at 1904 (finding no prejudice where answer was twenty days late due to applicant’s docketing system failure). Finally, Nextel’s Motion to Dismiss presents a “meritorious defense.” See *Fred Hayman Beverly Hills Inc.*, 21 USPQ2d at 1557 (applicant’s answer was “not frivolous”).

For the reasons stated herein, Applicant respectfully requests that the Board associate Applicant’s timely filed Motion to Dismiss with the docket for Opposition No. 91/200,355, *nunc pro tunc*, and remove it from the docket for Opposition No. 91/200,324.

Respectfully submitted,



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August 5, 2011

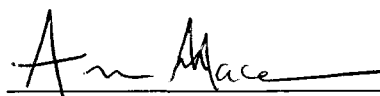
**CERTIFICATE OF SERVICE**

I hereby certify that a true and complete copy of the foregoing APPLICANT'S MOTION TO CORRECT PROCEEDING NUMBER ASSOCIATED WITH TIMELY LODGED MOTION TO DISMISS was served on counsel for the respective Opposers this 5th day of August, 2011, by sending same First Class Mail, postage prepaid, to:

Michael D. Hobbs, Jr.  
TROUTMAN SANDERS LLP  
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Atlanta, GA 30308

and

Thomas M. Williams  
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# EXHIBIT A

**IN THE UNITED STATES PATENT AND TRADEMARK OFFICE BEFORE THE**  
**TRADEMARK TRIAL AND APPEAL BOARD**

MOTOROLA MOBILITY, INC., and	)	
MOTOROLA TRADEMARK	)	
HOLDINGS, LLC,	)	
	)	
Opposers,	)	
	)	Opp. No.: 91/200,355
v.	)	App. No.: 78/575,442
	)	Pot. Mark: SOUND MARK
NEXTEL COMMUNICATIONS, INC.	)	
	)	
Applicant.	)	
	)	

**APPLICANT'S MOTION TO DISMISS  
OPPOSER'S FUNCTIONALITY, PRECLUSION,  
AND FRAUD CLAIMS UNDER RULE 12(b)(6)**

Applicant Nextel Communications, Inc.<sup>1</sup> ("Applicant" or "Nextel") hereby moves to dismiss claims asserted by Motorola Mobility, Inc. and Motorola Trademark Holdings, LLC ("Opposer" or "Motorola") in its Notice of Opposition ("Opp.") that Applicant is not entitled to registration of its sound mark (the "Nextel Chirp") on the separate grounds of (1) functionality, (2) issue preclusion and claim preclusion, and (3) fraud on the Patent and Trademark Office. For the reasons stated herein, and under Federal Rule of Civil Procedure 12(b)(6) and TBMP Rule 503, Applicant respectfully requests that Opposer's claims stating those grounds (comprising paragraphs 25-30 and 33-35 of its Notice of Opposition) be dismissed.

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<sup>1</sup> Applicant S-N Merger Corp. assigned the application to Nextel Communications, Inc., in an assignment recorded on March 22, 2006.



## INTRODUCTION

Applicant is one of the nation's largest providers of wireless communications services. One of the services it offers is "Direct Connect" two-way radio service provided to its subscriber customers over its network, in part using equipment manufactured by both Opposer and other manufacturers. *See* Opp. at ¶ 5. In connection with the operation of the Direct Connect service, the subscribers' wireless devices emit a variety of operational alert tones to signal the user of various status conditions and events. One such tone, which has come to be known as the "Nextel Chirp," and which is emitted to signal the "talk permit" status of certain two-way radio communications, is the subject of this proceeding. *See id.* at ¶¶ 4, 7.

Applicant has promoted the Nextel Chirp in connection not only with advertising its services for which the sound is an operational alert tone, but also in advertising its services for which the Nextel Chirp is not heard at all (i.e., what Opposer calls "non-iDEN" services), and as a brand identifier for Nextel services in general. *See id.* at ¶ 7. The Nextel Chirp has been used by Nextel as a brand in connection with advertising "iDEN-based" and "non-iDEN" service offerings since at least 1997. *See id.* at ¶ 15. In the current application, Nextel seeks registration of the Nextel Chirp based on its use of that sound as a source-identifying brand for a range of services it offers, including a number that do not involve any operational emission of the chirp sound. *See id.* at ¶ 7.

Applicant and Opposer have already litigated a substantial opposition proceeding involving this same sound, *see id.* at ¶¶ 8-9, which resulted in the Board decision in *Nextel Communications, Inc. v. Motorola, Inc.*, 91 USPQ2d 1393 (TTAB 2009) ("*Nextel v.*

*Motorola*”).<sup>2</sup> That proceeding involved Motorola’s attempt to register the sound as a mark for the wireless devices it manufactured and sold to Nextel. *See id.*, 91 USPQ2d at 1395. Motorola argued that it had used the sound as a trademark because the sound was “affixed” to its goods upon sale, and because it was audible as part of Motorola’s demonstration of the operation of its goods at trade shows and as part of depictions of their operation in product placements and in Motorola’s advertising. *See id.* at 1404-1406. The Board held, however, that with respect to the applied-for goods, the chirp sound was an operational alert tone that could not be considered inherently distinctive, and Motorola’s “use” of the tone in merely demonstrating or depicting the operation of the product did not result in acquired distinctiveness of the chirp sound as a trademark for Motorola’s products. *Id.* at 1403-1405.

Nextel, as opposer in the prior proceeding, presented evidence showing that it had used the sound as a mark in extensive national radio and television advertising over many years, and even referred to the sound in print advertising, for example, touting Nextel services as “pretty chirping fast.” *Id.* at 1398. Motorola argued that any trademark significance of the chirp sound garnered through Nextel’s advertising should accrue to its own benefit because of its purported partial funding of those advertisements through a co-op credit program. *Id.* at 1406-1407. The Board found, however, that Nextel’s advertisements were “noticeably different from [Motorola’s] advertisements and product placements . . . , inasmuch as the chirp is played in a manner not necessarily associated with the normal operation” of the devices, but “is either emitted gratuitously or as an audible prompt used to underscore points made by the narrator”

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<sup>2</sup> Opposer cites and relies on the Board’s prior decision, and record evidence presented in that prior proceeding, throughout its Notice of Opposition. *See Opp.* at ¶¶ 8, 9, 17, 21, 27, 28, 29, 34.

regarding features of the cellular telephone or associated services. *Id.* at 1407. The Board also found that “in all of [Nextel’s] advertisements of record, the source-association made with the chirp, if any, is with ‘Nextel.’” *Id.*

Based on its review of the advertising evidence, the Board concluded that the impression the spots created was that the advertiser was seeking “to associate the chirp with ‘Nextel,’” and that notwithstanding Nextel’s sale of both goods and services, “to the extent that a viewer of these advertisements would consider the chirp as a trademark, it is more likely that the viewer would associate the chirp with [Nextel’s] services, rather than [Motorola’s] cellular telephones.” *Id.* at 1408. Nextel also presented a pair of consumer surveys, credited by the Board, that showed that a substantial majority of respondents associated the chirp sound with a single source of goods or services, and that 53 percent of all respondents associated that sound with Nextel, compared with 1.5 percent for Motorola. *Id.* at 1403-1405. Based on all the evidence before it, the Board held that the chirp “has not acquired distinctiveness for [Motorola’s] cellular telephones.” *Id.* at 1408.

The Board was clear that it was not deciding, on the other hand, that the chirp had acquired distinctiveness as a Nextel mark, because that issue was not before it. *Id.* at 1403, 1408. But in view of the extensive record evidence of Nextel’s use and promotion of the chirp sound as a brand for its services, which was considered by the Board in such a recent proceeding involving the same parties, the same counsel, and the same asserted mark, it is surprising that Opposer would make the allegations it has seen fit to assert in its Notice of Opposition here.

## ARGUMENT

In evaluating this 12(b)(6) motion to dismiss, the Board may consider Motorola's opposition, documents incorporated into the opposition by reference, and matters of which a court may take judicial notice. *See Tellabs, Inc. v. Makor Issues & Rights, Ltd.*, 551 U.S. 308, 322 (2007). The Board must construe the opposition in the light most favorable to Motorola, but need not accept assertions of law or unwarranted factual inferences based on facts alleged in Motorola's opposition. *See Glenayre Electronics Inc. v. Jackson*, 443 F.3d 851, 855, 78 USPQ2d 1641, 1644 (Fed. Cir. 2006). Nor must the Board accept "mere unsupported conclusions of fact or mixed fact and law." *See Northern Trust Co. v. Peters*, 69 F.3d 123, 129 (7th Cir. 1995) (*quoting Tamari v. Blache & Co. (Lebanon) S.A.L.*, 565 F.2d 1194, 1198-99 (7th Cir. 1977)).

As a general matter, Rule 8(a)(2) of the Federal Rules of Civil Procedure imposes a "fair notice" threshold – that a complaint must provide a "short and plain statement of the claim" – which the Supreme Court has held requires the specific allegation of sufficient factual matter, accepted as true, to state a claim for relief "that is plausible on its face." *Bell Atlantic Corp. v. Twombly*, 550 U.S. 544, 570 (2007); *Ashcroft v. Iqbal*, 556 U.S. \_\_\_, \_\_\_, 129 S. Ct. 1937, 1949 (2009). Determining whether the facts state a "plausible" claim is "a context-specific task that requires the reviewing court to draw on its judicial experience and common sense." *Juniper Networks, Inc. v. Shipley*, 98 USPQ2d 1491, 1493, No. 2010-1327, 2011 WL 1601995, at \*3 (Fed. Cir. April 29, 2011) (*quoting Ashcroft v. Iqbal*, 129 S.Ct. at 1949-50). Rule 9(b) of the Federal Rules of Civil Procedure imposes additional, more specific, requirements for the minimum factual assertions necessary to support a fraud claim, discussed further below.

**I. MOTOROLA'S ASSERTION THAT THE NEXTEL CHIRP IS FUNCTIONAL FAILS TO STATE A CLAIM UPON WHICH RELIEF CAN BE GRANTED**

Motorola asserts that the Nextel Chirp is “functional” with respect to the “applied-for-communications services,” and that registration should be denied under 15 U.S.C. § 1052(e)(5). Opp. at ¶¶ 25-26. But Motorola’s opposition provides nothing more than “labels and conclusions, and a formulaic recitation of the elements” regarding the alleged functionality of the Nextel Chirp. *See Bell Atlantic Corp. v. Twombly*, 550 U.S. at 555. As the Supreme Court has warned, such conclusory statements in a complaint simply “will not do.” *Id.* Motorola’s functionality claim, as set forth in its Notice of Opposition, is unsupported by law and fails to state a claim upon which relief may be granted, and it should be dismissed pursuant to rule 12(b)(6) of the Federal Rules of Civil Procedure.

A mark is not barred from registration if it is “functional” merely in the layman’s sense, i.e., that it is a feature of a product that serves a function. *Valu Eng’g Inc. v. Rexnord Corp.*, 278 F.3d 1268, 1274, 61 USPQ2d 1422, 1425 (Fed. Cir. 2002); *see also In re Penthouse Int’l Ltd.*, 565 F.2d 679, 681, 195 USPQ 698, 700 (CCPA 1977) (“possession of a function and of a capability of indicating origin are not in every case mutually exclusive”). This is sometimes referred to as “*de facto*” functionality. *In re Ennco Display Systems Inc.*, 56 USPQ2d 1279, 1282 (TTAB 2000) (a *de facto* functional feature “is not a superior design essential for competition, but merely performs some function”). In order to be found unregistrable under 15 U.S.C. § 1052(e)(5), the mark must be shown to be “*de jure*” functional, in the sense that it is a feature that “is essential to the use or purpose of the article or . . . affects the cost or quality of the article, that is, if exclusive use of the feature would put competitors at a significant non-reputation-related disadvantage.” *Qualitex Co. v. Jacobson Products Co.*, 514 U.S. 159, 165, 34

USPQ2d 1161, 1163-64 (1995) (citing *Inwood Labs., Inc. v. Ives Labs., Inc.*, 456 U.S. 844, 850 n.10 (1982)).

In considering whether a product feature is functional in the sense that would make it unregistrable as a mark, courts evaluate evidence of the “*Morton-Norwich*” factors: (1) the existence of a utility patent disclosing the utilitarian advantages of the design; (2) advertising materials in which the originator of the design touts the design’s utilitarian advantages; (3) the availability to competitors of functionally equivalent designs; and (4) facts indicating that the design results in a comparatively simple or cheap method of manufacturing the product. *Valu Eng’g Inc.*, 278 F.3d at 1274, 61 USPQ2d at 1426 (citing *In re Morton-Norwich Products, Inc.* 671 F.2d 1332, 1340-41, 213 USPQ 9, 15-16 (CCPA 1972)). The central concern is to prevent a product feature from being protected indefinitely as a trademark, providing extended exclusive rights against competitors’ use of the feature, when it should more properly have been protected, if at all, under a time-limited utility patent. See *TrafFix Devices, Inc. v. Marketing Displays, Inc.*, 532 U.S. 23, 34-35, 58 USPQ2d 1001, 1007 (2001).

In support of its functionality claim here, Motorola alleges that what it calls the “Chirp Tone” is an operational alert tone “when used in connection with services provided via Motorola’s proprietary iDEN® handsets and iDEN® infrastructure.” Opp. at ¶ 25. It further asserts that, even though the Chirp Tone was chosen from among a number of alternatives that could serve the same operational purpose, it is nonetheless functional “at the iDEN® service provider level” because the tone is already built into the particular goods used by Nextel (and by Motorola’s only other iDEN customer) for purposes of providing “iDEN®-based push-to-talk walkie-talkie communications services” to their own customers. *Id.* Motorola conclusorily asserts that the sound is “essential to the use or purpose of the applied-for services,” that it

“affects the cost or quality” of those services, and that registration would disadvantage “competitors who also provide communications services via Motorola’s iDEN® handsets and iDEN® infrastructure.” *Id.*

Opposer’s argument is unusual, in that it asserts that the Chirp Tone is “functional” only with respect to a narrow category of services provided exclusively by the two purchasers of its own proprietary equipment, and that it is “essential” to the provision of those iDEN-product-specific services only because Opposer has itself decided not to provide for the use of a different electronic tone for the “talk permit” operational status alert on its devices. Opp. at ¶ 25. It alleges no facts that would support an inference that the Chirp Tone is functional with respect to any of the services specified in the application that do not emit a Chirp Tone during their operation.

But even with respect to the offering of narrowly circumscribed “iDEN®-based push-to-talk walkie-talkie communication services,” the Nextel Chirp tone is not “essential” in any way relevant to the *de jure* functionality determination. Opposer alleges that it chose the particular tone from among “available alternative tones.” Opp. at ¶ 25. And as the Board found in the prior proceeding, Motorola’s iDEN devices themselves emit many different audible tones for various operational alert purposes. *Nextel v. Motorola*, 91 USPQ2d at 1400-01. The Opposition contains no allegation of any fact that would support the inference that it would be difficult or impossible to use an entirely different electronic alert tone just as readily and effectively as the Nextel Chirp for the purpose of signaling the “talk permit” status of an iDEN walkie-talkie communication.

Even more significantly, Opposer is careful to avoid any assertion that the Chirp Tone is used, or must be used, by competing providers of walkie-talkie communication services who use technologies or equipment other than its own iDEN products. It alleges no facts to support any inference that the particular sound is superior to any other sound for the operational purpose with respect to which it is heard, or that the sound presents any utilitarian advantage as an alert tone for providing walkie-talkie services.<sup>3</sup> It does not allege that the applied-for-services are cheaper as a result of the chirp sound or that the chirp sound makes the applied-for-services work better or more efficiently than any other equally available alert tone. Indeed, no facts are alleged in the Notice of Opposition at all regarding any of the four *Morton-Norwich* factors (i.e., evidence of a utility patent disclosing the utilitarian advantages of the chirp sound, of Nextel advertising touting the chirp's utilitarian advantages, of the unavailability of functionally equivalent alert tones to competitors, or of ways in which the particular chirp sound makes the provision of walkie-talkie services simpler or cheaper).

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<sup>3</sup> By contrast, the Board in *In re Vertex Group LLC*, 89 USPQ2d 1694 (TTAB 2009), found an alarm sound functional and unregistrable with respect to an alarm bracelet system based on ample record evidence that the alarm sound had direct utilitarian advantages that were featured in the applicant's patent application and advertising. *Id.* at 1703-04. The Board found that the description of the claimed sound mark in the registration application encompassed loud sounds and the bulk of the frequency range that the record evidence showed to be optimal for an audible alarm, thus potentially depriving competitors of the ability to use most of the available options for an alternative alarm sound. *Id.* at 1704. The Board based its rejection of the registration application on a determination under the *Qualitex/Inwood Laboratories* standard that the sound applied for as a mark was "essential to the use or purpose of the article," and considered the *Morton Norwich* factors as additional grounds. *Id.* at 1703. But it made its "essentialness" determination on the basis of extensive record evidence proving facts that established the attributes of an optimal sound for purposes of the applied-for products. *Id.* at 1697-99, 1703. Such facts are not even alleged in Motorola's functionality claim here.



Nor, of course, do Motorola's allegations actually cover all of the "applied-for services," as to all of which it expressly asserts the sound is functional. *See* Opp. at ¶ 25. Many of those services do not involve any emission of the Nextel Chirp in the course of their operation. *See id.* at ¶¶ 32, 33 (listing "non-iDEN" services included in the application, albeit falsely stating that Applicant has not used the Nextel Chirp in connection with those services).

Motorola's conclusory statements that the Nextel Chirp is "essential to the use" of the applied-for-services and "affects the cost or quality" of those services do not meet Motorola's obligations under Federal Rule of Civil Procedure 8(a)(2). In its Notice of Opposition, Motorola has asserted, at most, that the Nextel Chirp has *de facto* functionality. Its claim that the Nextel Chirp is functional under 15 U.S.C. § 1052(e)(5) is completely unsupported, and Paragraphs 25 and 26 of Motorola's Notice of Opposition should be dismissed for failure to state a claim under Rule 12(b)(6).

## **II. MOTOROLA'S ASSERTIONS THAT NEXTEL'S APPLICATION IS BARRED BY ISSUE PRECLUSION AND CLAIM PRECLUSION FAIL TO STATE FACTS NECESSARY TO SUPPORT THOSE ASSERTIONS**

Motorola next asserts that the doctrines of issue preclusion and claim preclusion bar Nextel from registering the Chirp Tone. Opp. at ¶¶ 27-30. It bases this claim on the assertion that the Board previously determined, in *Nextel v. Motorola*, that the Chirp Tone was not registrable "because it was not inherently distinctive and had not acquired distinctiveness [as] a trademark in connection with the applied-for goods." Opp. at ¶ 27 (emphasis added). As discussed below, the assertion that Applicant is now somehow precluded from seeking registration of the Nextel Chirp for the services it offers (as opposed to the goods for which

Motorola applied) is flatly wrong and unsupported by law, and fails to state a claim upon which relief may be granted. Opposer's preclusion claims should be dismissed under Rule 12(b)(6) of the Federal Rules of Civil Procedure.

**A. Issue Preclusion**

Issue preclusion prevents relitigating issues previously adjudicated in a case between the same parties. Wright & Miller, 18 *Fed. Prac. & Proc. Juris.* § 4402 (2d. ed.). The doctrine applies only if four factors are present: (1) identity of an issue in the first and second proceedings; (2) the issue was actually litigated in the first proceeding; (3) the determination of the issue in the first proceeding was necessary to the resulting judgment; and (4) the party defending against preclusion had a full and fair opportunity to litigate the issue. *Jet, Inc. v. Sewage Aeration Sys.*, 223 F.3d 1360, 1366, 55 USPQ2d 1854, 1859 (Fed. Cir. 2000).

Motorola asserts that the issues that are identical between the prior proceeding and this one are "whether the Chirp Tone is distinctive and functions as a mark," which Motorola also refers to as the "issues of distinctiveness and trademark use." Opp. at ¶¶ 28(a), (c). It says that the Board necessarily determined in the prior proceeding "that the Chirp Tone was non-distinctive and did not function as a mark," and that Applicant is therefore precluded from proving that the mark "is distinctive and registrable on the Principal Register" here. *Id.* at ¶¶ 28(c), (d). It thus seeks to preclude the Board from considering evidence in this proceeding about whether such a sound is distinctive when used with respect to Applicant's applied-for services, many of which do not involve the emission of that sound in the course of their operation, and whether Applicant has used the mark in such a way that it has acquired distinctiveness with respect to Applicant's services.

The issues resolved in the prior proceeding, which Opposer identifies in support of its preclusion claim, differ materially from the issues presented in the current proceeding, and Opposer thus fails to state facts that would be necessary to support a preclusion claim.

A threshold issue in the prior proceeding was whether an operational alert tone emitted by Motorola-manufactured communications devices could be considered inherently distinctive when used in connection with those goods, but the Board's determination that it could not related only to Motorola's goods, and did not include any determination as to the status of such sounds in connection with a registration for services rather than goods.<sup>4</sup> The current Application encompasses services as to which the sound is emitted in the normal course of providing them (such as "push to talk" walkie-talkie communications services) as well as services as to which the Nextel Chirp is not emitted at all (such as position tracking data transmission services). *Cf.* Opp.at ¶¶ 31-32 (alleging non-use with respect to all services other than two-way radio services, presumably based on Opposer's view that "use" only occurs when the sound is emitted in the normal course of operation rather than when Nextel uses the sound in advertising and promotion of non-two-way radio services). Applicant is not precluded by the prior decision from litigating whether the Nextel Chirp is or has become distinctive with respect to its applied-for services rather than Motorola's previously applied-for goods, especially with respect to those services that do not emit the Chirp. *See Nextel v. Motorola*, 91 USPQ2d at 1399 & n.11 (finding issue preclusion with respect to two-way radios but not cellular telephones with a two-way radio

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<sup>4</sup> Opposer's counsel, at least, has made the argument that the inherent distinctiveness ruling of the *Vertex* case, which was later followed by the Board in *Nextel v. Motorola*, applies only to goods, not services. Thomas M. Williams, *The Bell Tolls for Inherently Distinctive Sound Marks*, 77 Pat. Trademark & Copyright J. (BNA) 685, 688 (Apr. 17, 2009) (stating that "Sound Marks for Services Are Unaffected").

feature); *MasterCard Int'l Inc. v. American Express Co.*, 14 USPQ2d 1551, 1553 (TTAB 1990) (finding that a district court's decision that GOLD CARD was generic as to card charge services did not present issue preclusion for whether GOLD CARD was generic as to hotel and motel reservation services).

Most importantly, the Board's prior decision, on which Opposer expressly relies for its issue preclusion argument, itself makes clear that there is no identity of issues. The Board expressly found only that "[Motorola's] proposed chirp mark . . ., based on this record, has not acquired distinctiveness for [Motorola's] cellular telephones." *Nextel v. Motorola*, 91 USPQ2d at 1408 (emphasis added). Far from determining the issue now presented in connection with the current application for registration of the Nextel Chirp, the Board specifically acknowledged that Nextel's application had been suspended pending the outcome of its opposition to Motorola's application. *Id.* at 1397-98.

Moreover, in connection with its review of evidence of a consumer survey regarding the chirp sound, the Board expressly stated that:

while we make no finding herein that the chirp has acquired distinctiveness in connection with [Nextel's] services (that issue is not before us), we do not discount that numerous survey respondents identified [Nextel] as the source associated with the chirp.

*Id.* at 1403 (emphasis added). After reviewing the evidence on Nextel's use of the chirp in its own advertising, the Board expressly stated that:

Again, we make no finding as to whether the chirp serves as a trademark for [Nextel's] services as that issue is not currently before us. Rather, based on the use of the "Nextel" name in the advertisements, we cannot find that consumers would associate the chirp with [Motorola's] cellular telephones.

*Id.* at 1408 (emphasis added). It could hardly be clearer that the Board's prior determination that the sound did not function as a mark for Motorola's goods does not preclude Nextel from arguing in this new proceeding that it does function as a mark for Nextel's services.<sup>5</sup> Given Motorola's full participation in the prior case and presumed familiarity with the Board's determination, its assertion of issue preclusion here is surprising.

Because there is no identity of issues between the previous opposition and the current opposition, and because the Board's prior decision expressly stated that it was not determining the issue of the distinctiveness of the mark with respect to Nextel's services, Motorola cannot show that the requirements for issue preclusion are met. Motorola's issue preclusion claim is wholly unsupported and fails to state a claim upon which relief can be granted. Paragraphs 27 and 28 of the Notice of Opposition should be dismissed.

## **B. Claim Preclusion**

Motorola next asserts that the doctrine of claim preclusion bars Nextel altogether from seeking a registration for the Nextel Chirp. Opp. at ¶ 29. Claim preclusion prevents a second lawsuit involving the same parties and a cause of action based on the same facts, whether or not raised in a previous adjudication. Wright & Miller, 18 *Fed. Prac. & Proc. Juris.* § 4402 (2d. ed.). Three requirements must be met: (1) there is identity of parties (or their privies); (2) there has been an earlier final judgment on the merits of a claim; and (3) the second claim is based on

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<sup>5</sup> This opposition proceeding may include evidence that was presented in the previous proceeding, but common evidence alone does not mean that issue preclusion or claim preclusion applies. See *Mayer/Berkshire Corp. v. Berkshire Fashions Inc.*, 424 F.3d 1229, 1232 and 1234 (Fed. Cir. 2005).

the same set of transactional facts as the first. *Jet, Inc.*, 223 F.3d at 1362-63, 55 USPQ2d at 1856 (citing *Parklane Hosiery Co. v. Shore*, 439 U.S. 322, 326 n. 5 (1979)).

For the reasons discussed above, this opposition proceeding does not involve the same claim that was resolved in the prior proceeding. The Board was quite clear that it was reserving, and not deciding, the issue of the registrability of the sound as a mark for Nextel services. *Nextel v. Motorola*, 91 USPQ2d at 1397-98, 1403, 1408. The “claim” to be resolved in an opposition proceeding is limited to whether the mark is registrable for the applicant, and the question of the registrability of the same mark for an Opposer may only be resolved in connection with that party’s separate application for registration. Indeed, the Board expressly noted in its prior decision that Nextel’s separate application had been suspended pending the outcome of the opposition proceeding regarding Motorola’s application, *id.* at 1397-98, and the suspension was lifted only after the final resolution of that proceeding. *See* Opp. at ¶¶ 7, 10.

Motorola’s claim preclusion claim is wholly unsupported and fails to state a claim upon which relief can be granted. Paragraphs 27 and 29 of the Notice of Opposition should be dismissed under Rule 12(b)(6) of the Federal Rules of Civil Procedure.

### **III. MOTOROLA’S ASSERTIONS THAT APPLICANT COMMITTED FRAUD ON THE PATENT AND TRADEMARK OFFICE FAIL AS A MATTER OF LAW.**

Opposer next asserts that Applicant twice committed fraud on the Patent and Trademark Office. First, Motorola says, Applicant fraudulently stated in its February 25, 2005, application that it had used the Mark in commerce in connection with “non-iDEN” services. Opp. ¶ 33. Second, Motorola says, Applicant fraudulently stated in its April 29, 2010, Declaration, filed in

connection with its Response to an Office Action, that it had made “substantially exclusive” use of the Mark. Opp. ¶ 34

Opposer’s fraud assertions fail to state a claim upon which relief may be granted, fail to comply with the requirements of Rule 9(b) of the Federal Rules of Civil Procedure, and must be dismissed.

Rule 9(b) requires that in order properly to state a claim of fraud, “a party must state with particularity the circumstances constituting fraud.” In order to establish that an applicant has committed fraud on the Patent and Trademark Office, the accuser must show (1) that the applicant’s statement was actually false, (2) that the applicant knew it was false, and (3) that the applicant intended to deceive the PTO by making the statement. *In re Bose Corp.*, 580 F.3d 1240, 1243, 91 USPQ2d 1938, 1941 (Fed. Cir. 2009).

**A. Opposer Fails to Allege Facts Supporting Its Claim of Fraud in Applicant’s February 25, 2005 Application**

Motorola claims that Applicant committed fraud by declaring, as part of its original application, that it had used the Nextel Chirp as a Mark in connection with all services listed in its application. Opp. ¶ 33. In support of its fraud claim, Motorola states that Nextel used the Mark “at most” in connection with “two-way radio services offered via Motorola’s, or its licensee’s, iDEN® handsets and iDEN® infrastructure,” and then asserts that “Nextel had not made service mark use of the Chirp Tone” in connection with any of the other services listed in its application. *Id.* Motorola next conclusorily alleges “[u]pon information and belief” that because Applicant’s statement was false and was necessary for registration, “Nextel knowingly and intentionally made that false material statement with the intent to deceive the U.S.P.T.O.” *Id.*

An important part of the purpose of the special pleading requirements of Rule 9(b) is to put the respondent on specific notice of the particulars of the alleged fraud so that it may prepare a responsive pleading. *See, e.g., United States v. Ford Motor Company*, 532 F.3d 496, 503-504 (6th Cir. 2008). This special requirement is over and above the basic “fair notice” requirement of Rule 8(a)(2) of the Federal Rules of Civil Procedure – that a complaint must provide a “short and plain statement of the claim” – which the Supreme Court has held requires the specific allegation of sufficient factual matter, accepted as true, to state a claim for relief “that is plausible on its face.” *Bell Atlantic Corp. v. Twombly*, 550 U.S. at 570. And as the Federal Circuit has observed, determining whether the facts state a “plausible” claim is “a context-specific task that requires the reviewing court to draw on its judicial experience and common sense.” *Juniper Networks, Inc.*, 98 USPQ2d at 1493, 2011 WL 1601195 at \*3.

A complaint is deficient under Rule 9(b) if it fails “to allege sufficient underlying facts to support a reasonable inference that the registrant knew its statement to be false or that it intended to deceive the PTO.” *Exergen Corp. v. Wal-Mart Stores, Inc.*, 575 F.3d 1312, 1328, 91 USPQ2d 1656, 1668 (Fed. Cir. 2009) (*discussing King Automotive, Inc. v. Speedy Muffler King*, 667 F.2d 1008, 1010, 212 USPQ 801, 803 (CCPA 1981) (emphasis added)). The *Exergen* court held that although “knowledge” and “intent” may be pleaded with generality under Rule 9(b), the pleading must also “include sufficient allegations of underlying facts from which a court may reasonably infer” that the applicant knowingly made a false statement with a specific intent to deceive the PTO. 575 F.3d at 1328-29, 91 USPQ2d at 1667-68. Where knowledge of falsity and deceptive intent are asserted on “information and belief,” as permitted by Rule 9(b), and where direct evidence of such knowledge or intent is uniquely within another party’s control, the allegation must also be supported by specific statements describing the nature of the “information” relied



upon and plausible reasons for the “belief” that such information exists. *Id.*, 575 F.3d at 1330-1331, 91 USPQ2d at 1668; *see also Asian and Western Classics B.V. v. Selkow*, 92 USPQ2d 1478, 1479 (TTAB 2009).

Here, Motorola has flatly asserted that “Nextel had not made service mark use” of the Mark in connection with a broad array of services Nextel offered as of February 2005, even while conceding that it had done so with respect to other services. Opp. at ¶¶ 31, 33. In the context of its own arguments in the prior proceeding, its allegation that Nextel made “service mark use” of the sound in connection with “iDEN-based” services but did not do so in connection with “non-iDEN” services (which do not emit the chirp sound as an operational alert tone) may simply reflect its continuing view that “use” of the sound as a mark means demonstrating the operation of iDEN devices in such a way as to make the sound audible as an operational alert tone. *Compare Nextel v. Motorola*, 91 USPQ2d at 1404-1406 (Motorola “use” evidence), *with id.* at 1407-1408 (Nextel “use” evidence).

Nextel, of course, disagrees with this position, and believes that its own extensive non-operational use of the Nextel Chirp in advertising both iDEN and non-iDEN services constituted use of the mark in commerce. The issue of whether Motorola’s or Nextel’s interpretation of “use in commerce” is correct will presumably be addressed in this proceeding, because Motorola has also separately asserted a non-use claim. Opp. at ¶¶ 31-32. But as an allegation in support of the first required element of a fraud claim – the making of a false statement – Motorola’s allegation that Nextel’s statement that it had used the Nextel Chirp as a mark in connection with “non-iDEN” services was false is, in the particular context of the prior proceeding, at best incomprehensible and ambiguous, and does not provide a sufficiently specific factual assertion to meet the requirements of Rule 9(b).

Beyond failing to satisfy this first necessary element of stating a fraud claim, however, Motorola completely fails to provide any specific allegations to support the remaining elements of fraud – that Nextel knew its statement was false and that it made the statement with the specific intention to defraud the Patent and Trademark Office. Motorola alleges no facts whatsoever that would support a reasonable inference that Nextel knew or even believed its statement was false, and hence no facts to support a reasonable inference that it had a specific intent to defraud the PTO. As the Federal Circuit held in the *Exergen* case, a pleading alleging fraud must provide “sufficient allegations of underlying facts from which a court may reasonably infer” the necessary “knowledge” and “intent.” 575 F.3d at 1328-1329, 91 USPQ2d at 1667-68. And where knowledge or deceptive intent is asserted on “information and belief,” the allegation must be supported by specific statements regarding the nature of that information and the reasons for believing that it exists. *Id.*, 575 F.3d at 1330-1331, 91 USPQ2d at 1668; *Asian and Western Classics B.V.*, 92 USPQ2d at 1479 (dismissing Petition to Cancel where allegations that registrant “did not have bona fide use in commerce of [the Mark]” and that she had falsely attested to such use in her application were made only on information and belief).

Here, Motorola merely recites the conclusory allegation that “[u]pon information and belief, Nextel knowingly and intentionally made that false material statement [i.e., that it had used the mark] with the intent to deceive the U.S.P.T.O.” Opp. at ¶ 33. Its claim fails to meet the requirements of Rule 9(b) and thus fails to state a claim, and Paragraphs 33 and 35 should be dismissed under Rule 12(b)(6).

**B. Opposer Fails to Allege Facts Supporting Its Claim of Fraud in Applicant's April 29, 2010 Declaration**

Motorola next claims that Applicant committed fraud by stating in 2010 that Applicant's use of the Mark had been "substantially exclusive." Opp. ¶ 34. But it asserts in support only that Applicant had

"actual knowledge that its largest iDEN® competitor, Southern, also used the Chirp Tone in connection with its directly competing iDEN®-based push-to-talk-walkie-talkie services."

*Id.* It asserts that Applicant had such actual knowledge based on "marketplace awareness" of Southern's activities, and based on supposed evidence of Southern's "use of the Chirp Tone," including supposed "use in advertising," that Motorola asserts was made of record in *Nextel v. Motorola. Id.*

The law is clear that a declaration of "substantially exclusive" use is appropriate even if the applicant's use was not actually and completely exclusive, so long as any use by others was "inconsequential or infringing." *L.D. Kichler Co. v. Davoil, Inc.*, 192 F.3d 1349, 1352, 52 USPQ2d 1307, 1309 (Fed. Cir. 1999); TMEP § 1212.05(b).

Motorola's accusation fails with respect to every one of the three requirements for setting forth a fraud claim. First, it contains no facts stating or even implying that Southern's purported "use of the Chirp Tone" constituted trademark use, or that any such use was either consequential or non-infringing. Second, it alleges no facts stating or implying that, even if Applicant knew of Southern's purported "use" of the Chirp Tone, Applicant did not also know or believe in good

faith in 2010 that such use was non-trademark use or was inconsequential or infringing.<sup>6</sup> Third, although Motorola's fraud accusation asserts "on information and belief" that Applicant knowingly made a false statement "with the intent to deceive the U.S.P.T.O.," it alleges no facts supporting any reasonable inference that Applicant's statement was actually false or that it was known by Applicant to be false. Hence, the Opposition fails to state with particularity any facts that could be read as supporting an inference that Applicant's statement was made with an intention to deceive the Patent and Trademark Office.

The Courts have consistently held that Rule 9 "requires that the pleadings contain explicit rather than implied expression of the circumstances constituting fraud." *See King Automotive, Inc. v. Speedy Muffler King*, 667 F.2d 1008, 1010, 212 USPQ 801, 803 (CCPA 1981). In *King Automotive*, the petition for cancellation alleged that the registrant of SPEEDY MUFFLER KING had received a search report showing extensive third-party use of MUFFLER KING and had therefore committed fraud in declaring as part of its application, without disclosing such third-party use, that no other person had a right to use SPEEDY MUFFLER KING or a confusingly similar mark. The Court held the allegation insufficient under Rule 9(b) because it failed to state any facts regarding the applicant's knowledge or belief that the mark used by third parties was confusingly similar to its own. *Id.*, 667 F.2d at 1011, 212 USPQ at 803; *see also Exergen Corp.*, 575 F.3d at 1328-1329, 91 USPQ2d at 1667-68. Similarly here, although Motorola has pleaded facts regarding Nextel's purported knowledge of another's "use" of the

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<sup>6</sup> Indeed, the Board found in its 2009 opinion in the prior opposition proceeding that SouthernLinc "served a limited geographic area and only purchased an extremely small percentage of [Motorola's] iDEN cellular telephone handsets (in terms of sales figures)." *Nextel v. Motorola*, 91 USPQ2d at 1397.

mark, it has alleged no facts whatsoever from which the Board could draw the inference that Nextel knew or believed that such purported use, even if it existed, was trademark use or was anything other than inconsequential or infringing.

Motorola ends again by conclusorily reciting that “[u]pon information and belief, Nextel knowingly and intentionally made that false statement [i.e., that its use was substantially exclusive] with the intent to deceive the U.S.P.T.O.” Opp. ¶ 34. Fraud allegations based on information and belief fail to meet the requirements of Rule 9(b) if they “are unsupported by any statement of facts providing the information on which the petitioner relies or the belief upon which the allegation is founded.” *Asian and Western Classics B.V.*, 92 USPQ2d at 1479.

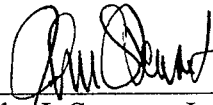
Here, there are no factual allegations whatsoever to support a finding that Applicant’s declaration of “substantially exclusive” use was false (because there is no indication that the purported Southern use was trademark use or rose above inconsequential use) or that it was made with knowledge of its falsity (because there is no indication that Applicant considered any use of which it may have known to have been trademark use or more than inconsequential use), or to support a reasonable inference that the declaration was made with intent to deceive the Patent and Trademark Office (because no facts support any inference that the declaration was either false or known to be false). Motorola’s second fraud claim thus also fails to meet the requirements of Rule 9(b) and fails to state a claim, and Paragraphs 34 and 35 should be dismissed under Rule 12(b)(6).

### CONCLUSION

For the reasons stated above, Applicant Nextel Communications, Inc. respectfully requests that Opposer’s claims based upon the grounds of Functionality, Issue Preclusion and

Claim Preclusion, and Fraud on the Patent and Trademark Office (comprising paragraphs 25-30 and 33-35 of its Notice of Opposition) be dismissed.

Respectfully submitted,



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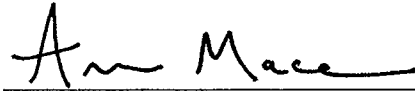
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August 3, 2011

**CERTIFICATE OF SERVICE**

I hereby certify that a true and complete copy of the foregoing APPLICANT'S MOTION TO DISMISS OPPOSER'S FUNCTIONALITY, PRECLUSION, AND FRAUD CLAIMS UNDER RULE 12(b)(6) was served on counsel for Opposer this 3rd day of August, 2011, by sending same via First Class Mail, postage prepaid, to:

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